

WASHINGTON (November 15) – A bill authored by Financial Services Committee Chairman Spencer Bachus to stop future bonuses at Fannie Mae and Freddie Mac and suspend the current multi-million dollar compensation packages for the top executives was overwhelmingly approved by the Committee. The vote on the bill was 52 to 4.

Earlier this month, the Federal Housing Finance Agency announced the CEO of Fannie Mae received \$5.6 million in compensation and the CEO of Freddie Mac received \$5.4 million. Under the bill, the top executives of Fannie and Freddie could only have earned \$218,978 this year. H.R. 1221, the Equity in Government Compensation Act, ensures that executives and employees of Fannie Mae and Freddie Mac will receive compensation that is in line with pay practices at federal financial regulatory agencies. The bill does not make them Federal employees, but it aligns their compensation with that of Federal employees.

“The taxpayer-funded bailout of Fannie Mae and Freddie Mac is the biggest bailout in history. Adding insult to injury, the top executives of these failed companies receive multi-million dollar pay packages, all courtesy of American taxpayers who are having a difficult time making ends meet these days. These lavish compensation packages and bonuses are unfair, unreasonable and unjust to the taxpayers whose assistance is the only thing keeping Fannie and Freddie afloat,” said Chairman Bachus.

Since their bailout Fannie and Freddie have received \$170 billion in taxpayer dollars. While the GSEs have continued to report losses and receive additional bailout money, the executives of the companies have received millions in compensation and bonuses. On Christmas Eve 2009, Treasury and FHFA ratified \$42 million worth of Wall Street-style pay packages for the GSEs’ 12 top executives. In 2010, FHFA approved similar pay packages. According to its SEC 10-K filings, Fannie Mae paid its top six executives \$15.4 million in salaries and bonuses. Fannie Mae CEO Michael Williams earned \$5.6 million. Freddie Mac paid its top five executives nearly \$18.5 million. Freddie Mac CEO Charles E. Haldeman, Jr. was paid \$5.4 million. Earlier this month it was revealed that Fannie and Freddie would award \$12.8 million in bonuses to the top executives.

“Today the Committee approved a bill to stop rewarding the executives of these bailed out companies. Never again should Americans be forced to send their hard earned tax dollars to be wasted on multi-million dollar pay packages for Fannie and Freddie executives,” said Chairman Bachus.

